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DIARY NOTES

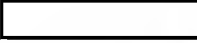
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DD/S



20 and 21 July 1955

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1.  asked me again to check on the status of reports to the Director concerning the Inspector General's surveys of the Office of the Comptroller and the Offices of Logistics and Security.

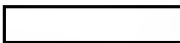

2. Spent considerable additional time on the Hill talking with the Administrative Assistants to the members of the Senate Appropriations Committee about the building and trying to set the record straight prior to the Bill being marked up. Also talked to Mr. Belen, staff man on the House Post Office and Civil Service Committee, Mr. Kerlin, staff man on the Senate side, and George Stafford in Senator Carlson's office about the Executive Pay Act. As far as I can figure out between Belen and Congressman Rees, George Stafford and Senator Carlson, the Director has been moved to Category III and the Deputy Director to Category IV. They indicated, however, that White House concurrence would certainly be necessary in order to move the Director to Category II along with the Director of the Federal Bureau of Investigation. Mr. Kerlin suggested that we submit a justification. (Kirk is preparing this and Mr. Dulles will also discuss the matter with Sherman Adams.)

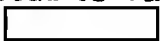
3. Pursuant to a telephonic request made by a Mrs. Coerver of Senator Goldwater's office concerning the availability of the "green substance" used in the detection of a recent theft in the Agency, I stopped by the Senator's office and left for his perusal photostats of several pages of police equipment catalogs where the dye can be obtained.

4. At the request of Mr. Sanderson of the White House staff I have authorized the Office of Logistics to supply furniture to Mr. Kersten's office.

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5.  advised me that Mr.  had written to Mr. Dulles informing him of the fact that he was going to Europe this summer and stating that he would be glad to do anything he could for us. I am preparing a letter for Mr. Dulles to sign.

6. At the request of Mike Rexroad of Senator Chavez' office, arranged to have an enlisted man by the name of  transferred to CIA for duty.

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7. Kirk telephoned to say that he had heard that [] might come back to CIA and that he would be very glad to have him on his staff. I told him that we might consider this but that I thought it might not be good for George inasmuch as he would have to make his way with the DD/P boys and I didn't think being on the IG's staff would help him very much. I believe that Kirk is inclined to agree with me.

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8. Talked to [] about his trip to []. He is not going to Oakland, California, but will leave here so as to arrive in [] about 5 August. He will also go to [] and look in on [] while he is there.

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9. Talked to [] about the possibility of [] obtaining a commission on a certain rice deal and instructed him to insure that the contract was negotiated in such a way that this was impossible. A cable to this effect has gone out; however, I understand that [] is also the broker for the rice. It seems impossible to cut him out completely!

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11. Participated with Ed Saunders and [] in a discussion with Bob Macy, Bureau of the Budget, to request funds for Projects AQUATONE and [] which total in excess of [] for next year. Bob will have to clear this with Mr. Hughes but there seems to be no doubt that approval will be given. While we were there Bob said that in his consideration of our problems during discussions with other people, particularly Bob Amory, he had an impression that the agent-type of espionage was a fruitless effort and that more of our money should be spent in such things as AQUATONE and []. He said that in looking at our 1957 budget the Bureau thought they would like to have some statement along these lines. There was a clear indication that he thought we ought to cut down on the espionage type of activity. He also said that anytime either I or a member of my staff was going to the AQUATONE test base he would like to go along and look it over. Dick and I both indicated that this would be entirely satisfactory.

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12. [] telephoned to inquire what he should do about []. He said that [] had had an offer as an export sales manager in one of [] companies. I told him that since I was not sure that [] was the man I wanted my inclination would be to let him go.

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14. Matt suggested that if we were seriously thinking about the acquisition of [redacted] that we consider a priority contract with one of the services; however, he said that if we should buy one ourselves we certainly should select the same type as that stocked by the services so that maintenance would not be an insurmountable obstacle.

15. I had a long talk with Mr. Wilkes, another of Mr. Winkler's attorneys, who said that he had had a conversation with Mr. Winkler on the telephone. The gist of his call was that it would cost us \$545,000 to buy the Winkler property (this is \$120,000 more than I had figured on) but that Mr. Winkler wanted to assure me that if price was the thing that was keeping us away from this site he was willing to negotiate the matter further. H

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